

**BOARD COMMITTEE ON FINANCE AND ADMINISTRATIVE
SERVICES AND OFFICE OF INFORMATION TECHNOLOGY
COMMITTEE MINUTES**

Thursday, September 3, 2009, 9:00 a.m.

MINUTES

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James Dyson
Ralph Moore
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OFFICE OF FINANCE

TREASURY

The Treasury staff prepares annual cash flow projections to help plan the financial activities of the District. The FY 2010 projections reflect the revenue to be received, expenses to be paid, and investment activities throughout the fiscal year. This forecast is adjusted on a monthly basis to reflect the actuals and to effect any changes based on new facts that may become available. Based on historical experience, the Budget for FY 2010, actual activities in the month of July 2009 and known facts during the month of August 2009, the following are the major assumptions used in forecasting this year's operating cash flow:

Cash-In: The District's incoming FY 2010 cash forecasted cash-in is \$360.3 million, an increase of \$2.1 million over last month's report. It does not include the \$10million in grants applied for which will be added to actuals as they are received.

<i>Property Taxes (net)</i>	<i>\$103.8 million</i>	<i>no change</i>
Tuition and Fees	60.4 million	<i>increase of \$961,000</i>
Personal Property Replacement Tax	12.4 million	<i>decrease of \$21,000</i>
<i>State grants receipts</i>	<i>88.6 million</i>	<i>no change</i>
<i>Interest income</i>	<i>2.4 million</i>	<i>increased by \$1.2 million</i>
Federal draws	79.3 million	no change
<i>Grants/miscellaneous funds</i>	<i>12.4 million</i>	<i>no change</i>

Cash Out: The District's outgoing cash forecasts projected for operating expenses is \$397.5 million, an increase of \$20.8 million over last month. Capital expenditures budgeted at \$76.5 million are not considered in the projection but will be reflected as the actual cash in/out occurs.

<i>Faculty and Staff Payroll</i>	<i>\$142.0 million</i>	<i>up by \$200,000</i>
<i>Tuition Refunds</i>	<i>42.9 million</i>	<i>up by \$63,000</i>
<i>Accounts Payable</i>	<i>212.7 million</i>	<i>up by \$20.5 million*/</i>

**/ due to payments of capital expenses including the projected payments for the Truman Parking project.*

CASH BALANCE: The current investment policy requires a minimum cash balance of no less than three months of expenditures or approximately \$85 million. The total cash balance is \$106.8 million as of the end of July.

PFM Asset Management Portfolio – July 2009

City Colleges of Chicago Portfolio under the PFM management at market value is \$185 million.

The Short-term Operating portfolio valued at \$67.6 million with duration of approximately .22 years has a monthly periodic return of 0.058% which is better than the return of the Merrill Lynch three month US Treasury Bill periodic return of 0.017%. Returns are net of fees. This portfolio is consists of: (1) Managed Account valued at \$45.4 million, (2) The Illinois Institutional Investors Trust (IIIT)- FDIC Certificate of Deposits valued at \$10.2 million and (3) IIIT Term valued at \$12 million.

OFFICE OF FINANCE-continued

The Working Cash Portfolio valued at \$60.8 million with duration of approximately .91 years has a monthly periodic return of 0.116 % which is slightly lower than the Merrill Lynch 1 year US Treasury Note periodic return of 0.122 %. Returns are net of fees.

The Truman Parking Project valued at \$31.7 million with duration of approximately 0.38 years has a monthly periodic return of .104 %. Returns are net of fees.

The OPEB portfolio valued at \$10 million with a duration of approximately 1.61 years has a monthly periodic return of 0.171 % is better than the Merrill Lynch 1-3 year US Treasury Note periodic return of .131%. Returns are net of fees.

The Capital Improvement Projects portfolio valued at \$15 million with a duration of approximately 1.27 years has a monthly periodic return of 0.085 % is better than the Merrill Lynch 1 year US Treasury Index periodic return of .122%. Returns are net of fees.

Money Market Funds – July 2009

PFM Prime Fund Account was opened July 1, 2009. It has balance of \$27.8 million with a yield of .38 %.

The Illinois Money Market Fund (MMF) has a balance of \$223,000 with a yield of .174%.

We will continue to refine the cash flow model based on future developments on the state and local funding.

Bank Activity: The Treasurer opened an account at **Chase Bank for the** City Colleges of Chicago Foundation. The Foundation's Amalgamated Bank Account will remain open for 90 days. Treasury also added 35 vendors to the JPMorgan Chase Access System to allow ACH payment versus printing and mailing a check payment, completed a draft of the RFP for Armored Car Services and is working collaboratively with Student Financials, Procurement and Academic Affairs to finalize draft of RFP for Electronic Refund Payments. Treasury is in the final stages of completing setup with American Express and Bank of America to accept tuition payments via American Express. During August, Treasury staff printed 2,781 accounts payable checks totaling \$6.7 million. Payroll disbursement activity during August:

Treasury August 2009 Payroll Disbursements

Payroll	August 2009	July 2009
Payroll Checks Printed	2,868	2,550
Payroll Direct Deposit	4,703	7,046

Treasury Property Taxes/State Funds Receipts Activity: Received \$998,480 in property tax payments and \$9.3 million in state funds. Treasury staff transferred \$9.5 million to the PFM Prime Fund Account.

Investments – Illinois Funds: \$338,774 is currently in the Illinois Funds Prime Fund Account.

OFFICE OF FINANCE-continued

Investments – PFM Asset Management:

- **PFM Prime Fund Account.** Current account balance is \$37.4 million at a rate of 0.30%. (*This balance is pre-funding for the payroll period 8/28*)
- **Short Term Operating Account.** \$15.0 million in securities matured and \$10.0 million was reinvested. (*The difference was transferred to Chase for operational purposes*).
- **Short Term Operating Account (IIIT Fund Certificate of Deposits).** No new activity.
- **Short Term Operating Account (IIIT Fund Term Securities).** No new activity
- **IIIT Capital Improvements Project Account.** No new activity.
- **Truman Account.** A security matured totaling \$5.6 million. Cash proceeds are in the Truman DDA Account pending the funding needs of the Capital Development Board.

Budget Office: During August 2009, Budget Office staff worked on the following activities: attended the city's Joint Review Board Committee meeting for August; finalized the 5.2% budget cuts for all colleges and departments within the PeopleSoft system; restored one-third of the college budget cuts for key instructional priorities such as the hiring of faculty; participated in meetings concerning the Adult Education restricted budget allocations for FY2010; worked with colleges and departments to clean-up remaining payroll suspense for FY2009; and provided summary financial data to the Office of Research for use in the APSA student services project. (This data included all FY 2008 expenses by program, object and department across all colleges.)

Business Services: Successfully received Board approval for 15 board items at the August 2009 Board meeting and are requesting approval for 15 board items for the September 2009 meeting. During the month of August 2009, Business Services staff have successfully processed 52 purchase orders (each a value over \$5,000) amounting to **\$2.4 million**. The colleges during August created 1,263 purchase orders (under \$ 5,000) amounting to **\$1.0 million**. Procurement staff entered 88 new vendors and updated information on 132 vendors into the system database. The following are the current Bid Projects:

Dept/Campus	Solicitation	Status
Current	Advertised	
District Wide	Van Rental Services	Pre Bid Date – 9-8-09 Due Date – 9-14-09
Truman College	Cosmetology Mannequins	Pre Bid Date – 9-2-09 Due Date – 9-9-09
Truman College	Cosmetology Supplies	Pre Bid Date – 9-2-09 Due Date – 9-9-09
Current	Bids being Prepared	

District Wide	Armored Car Services	Expected Ad Date – 9-8-09
District Wide	Electronic Student Refund Card	Expected Ad Date – 9-4-09
District Wide	Scavenger Services	Expected Ad Date – 9-11-09
Administrative Services	Elevator Repair- District Office	Awaiting revised Specification from Elevator Consultant Expected Ad Date 9-20-09

The Business Services staff has processed **2,195** vouchers for vendor payment from August 1, 2009 through August 31, 2009.

Business Services staff are working with campuses and district departments to make FY09 a successful year-end close by providing assistance with all of the year end and project year grant close outs and assisting in providing open purchase order report, match and budget exceptions and training sessions as required.

Student Financial Activities: (1) In August 2009, the District is gradually approaching the end of the federal financial aid (FA) year 2008 – 2009. The net drawdown so far is \$61.0 million, an increase of 23% compared to FA year 2007 – 2008, of \$46.5 million. Unduplicated recipients paid during FA 2008 – 2009 totaled 23,934, an increase of 13% compared to FA year 2007-2008 which totaled 20,790. (2) Issued approximately 520 student refunds averaging about \$385 per student in August totaling approximately \$200,000. (3) **Electronic Student Refunds** – The colleges are continuously encouraging students to apply for the direct deposit of refund payments and Federal Work Study pay. The number of students that applied for direct deposit increased by 3% during the month of August.

"Going Green"
Electronic Refunds for Student Financial
(as of August 25, 2009)

	DA	HW	KK*	MX	OH	TR	WR	District Totals	
Methods of Payment									
Direct Deposit (Checking)	407	834	365	1126	360	302	1359	4,753	36.1%
Direct Deposit (Savings)	13	37	28	28	9	7	52	174	1.3%
Debit Card (Financial Aid)	904	549	4,007	1,441	616	156	511	8,184	62.2%
Debit Card (Non-Financial Aid)	0	1	0	4	0	0	35	40	0.3%

and Totals	1,324	1,421	4,400	2,599	985	465	1,957	13,151
Percentage of Total Number of Students	10.1%	10.8%	33.5%	19.8%	7.5%	3.5%	14.9%	

Student Financial Services is in the final stages of issuing a Request for Proposal (RFP) for the Electronic Student Refund services. Important events and deadline dates for this RFP have been established and determined. We are seeking a provider that can deliver electronic student refunds and Federal Work Study pay via ACH.

Out-of-District Chargebacks for FY 2009 – REVISED

The table below provides revised comparison information on Chicago residents attending suburban community colleges in FY 2009. The out-of-district student "Chargebacks" trend is up \$42,000, or 15.6% from the previous fiscal year.

Out-of-District Chargeback Comparison

Term	<u>Certified FY-2008</u>		<u>Revised FY-2009</u>		<u>Percent Change</u>	
	Hours	Amount	Hours	Amount	Hours	Amount
Summer	210.5	\$26,107.30	241.0	\$37,398.09	14.5%	43.2%
Fall	919.5	\$123,154.25	1,032.0	\$135,705.96	12.2%	10.2%
Spring	910.0	\$120,035.23	989.5	\$138,172.56	8.7%	15.1%
Total	2,040.0	\$269,296.78	2,262.5	\$311,276.61	10.9%	15.6%

Nelnet Business Solutions: The Finance Office currently contracts with Nelnet to offer students a convenient and interest free tuition payment plan. Nelnet allows students to enter into a payment plan and pay their tuition and fees on installments. Trend analysis demonstrated an increase in student's participation as indicated below.

TABLE A. FY 2009 Students with Payment Plan Agreements

Campus	<u>FALL</u>	<u>SPRING</u>	<u>SUMMER</u>	<u>Total</u>	<u>%</u>
KK	124	312	252	688	7%
MX	472	433	199	1104	12%
OH	334	326	210	870	9%
HW	1194	1153	491	2838	31%

TR	1149	1182	483	2814	30%
DA	<u>343</u>	<u>395</u>	<u>203</u>	941	<u>10%</u>
Total	<u>3,616</u>	<u>3,801</u>	<u>1,838</u>	<u>9,255</u>	

Note: Wright College does not participation in Nelnet payment plan.

TABLE B. Two Year Nelnet Payment Participation Analysis

Term	FY 2008		FY 2009		%	
	Students	Amount	Students	Amount	Students	Amount
SU	1,273	\$ 499,360.86	1,838	\$ 924,386.26	44.4%	85.1%
FA	2,735	\$ 2,253,218.94	3,616	\$ 2,967,462.64	32.2%	31.7%
SP	2,640	\$ 2,129,540.10	3,801	\$ 3,099,265.99	44.0%	45.5%
Total	6,648	\$ 4,882,119.90	9,255	\$ 6,991,114.89	39.2%	43.2%

System Financials Department: Activities for the month of August 2009 include: completed the CDL reclassifications for FY2009; completed the ADED reclassifications for FY2009; **prepared the FY2008 UFRS Report and the final Edit Report;** cleared the remaining FY2009 payroll suspense; developed and produced the Student Financials - Financial Aid Report for the General Accounting staff data analysis; working with the campuses to setup new customers and create customer contracts, bills, and collections; and finally, working with the Treasury and Accounts Payable staff to implement the expanded PCARD payment process feature to reduce the volume of paper checks being printed.

Board Agenda – September 2009

Resolutions:

1.00– Investment and Depository Account Changes – to adjust responsible parties on college bank accounts due to last month’s management changes.

1.01 requests approval of monthly budget transfer of funds totaling \$10.3 million due to budget cuts for all colleges and departments; restoration of 33% of the budget cuts for colleges only; moving \$248,000 in supplies between departments at Harold Washington; Daley made some shifts within their retention budget; Academic Affairs transferred salary dollars due to the resignation of an administrator within the Child Development program

Office of Administrative Services Reports:

- Board Reports:
 - 4K Construction Design Build Services for Wright College's Humboldt Park Vocational Education Center to design and build out the space to accommodate the Latino Technology Center, awarded to Tilton, Kelly + Bell Architecture of Chicago, Illinois for an amount not to exceed \$65,000 for a period beginning September 8, 2006 and ending no later than November 1, 2006.

- Construction Update of the New Kennedy-King College Campus:
 - As of August 30, 2006, construction for the new Kennedy-King College Campus is 33% complete.
 - The Public Building Commission (PBC) and McClier have hired 14 City College students for the NKK Project, with a contractor interview session for additional qualified students tentatively planned for the third week of September.
 - At this time, Minority Businesses have received approximately 38% of the dollars paid out by McClier while Women-Owned Businesses received 4%, totaling for the project overall 19% and 1.2% respectively.
 - Community hires comprise 18% of the project and 55% are City residents.

- Several other issues of note have arisen in the last month. It appears that funds for the Furniture, Fixture and Equipment (FF&E) budget are being utilized to cover building costs that should have been covered in the original construction projections of McClier and the PBC. City Colleges originally proposed a \$35 million FF&E budget in 2002 but finds it was reduced by the PBC to \$29million for Kennedy-King and \$3.5million for McClier's fees, necessitating the reallocation of resources to meet the College's educational needs. Administrative Services maintains that revisions and additions to the base building should be taken from the construction costs provided in the PBC's GMP Agreement, or the contingency fund agreed upon by the PBC and McClier, or seek payment through errors and omissions insurance coverage rather than reduce the resources for the academic, administrative and student services that directly impact the Kennedy-King students.

- Hard hit in the reallocation of funds has been the Media Education Center for WYCC and WKCC. The budget is impacted by covering the higher labor cost due to the use of electricians from Local 134 when broadcast electricians from Local 1220 have a lower wage rate and are more qualified to perform the installation. To address this situation, City Colleges will seek a waiver from Local 134 once the installer has been identified as a means to manage costs and redirect the funds to equip the studio.

- City Colleges has also requested that Resolute Consulting be removed as a sub-contractor to McClier since their actions exceeded their original scope of disseminating information about construction site progress to the community and involved job placement with the contractors.

- Assist Agency Outreach
 - Administrative Services hosted with Procurement Services a luncheon meeting at the Parrot Cage for over 40 Minority and Women Business Enterprise Assist Agencies on August 23, 2006 to provide information on our contracting opportunities. Other certifying agencies also attended. We plan on hosting such events on an annual basis, following up with the businesses during the year.

Office of Information Technology:

As stated in last month's Board Report, the Academic Advising module was completed and moved to production on Monday August 3rd. Currently the Academic Advising module will allow advisors to quickly perform a degree audit and "what if" scenarios for students enrolled in the AA, AS, and Nursing programs. This fall we are working with Academic

- Affairs and each college Vice President to identify and implement additional programs in the Advising module. By
- expanding the program selection, this will allow our Advisors to use this automated degree audit to support a larger student population.
- During the key weeks of registration for the fall term, OIT achieved 100% uptime with the PeopleSoft Student Administration system and received ZERO Priority 1 Heat Tickets related to system slowness or system downtime. We did receive 1 phone call that after investigation was the result of an isolated incident, not related to the PeopleSoft Student Administration System.
- Over the past several months OIT has upgraded our ORACLE Database Management System and has redesigned the system backup strategy. We have also performed system and infrastructure tuning based upon historical system usage. These enhancements allowed OIT to provide better system performance and reliability. With the use of "Hot Backups", our Student Administration system is now available for use 24 hours per day – 6 days per week with only a 4 hour scheduled maintenance window on Sundays. During registration this increased system availability proved to be advantageous for the numerous students that chose to use the system during the overnight hours of midnight to 6 AM

**City Colleges of Chicago
Monthly Micro City Purchases
August 2009**

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EQUIPMENT LOCATION	COMPUTERS	PRINTERS	SOFTWARE	RELATED EQUIPMENT	MAINTENANCE TRAINING	TOTAL PER LOCATION
Richard J. Daley College	\$7,236.00	\$0.00	\$7,998.36	\$9,549.00	\$0.00	\$24,783.36
West Side Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harold Washington College	\$0.00	\$218.00	\$109.00	\$4,119.00	\$0.00	\$4,446.00
Kennedy-King College	\$0.00	\$340.00	\$0.00	\$0.00	\$0.00	\$340.00
Dawson Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Malcolm X College	\$3,849.00	\$0.00	\$5,561.00	\$13,880.00	\$0.00	\$23,290.00
West Side Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Olive-Harvey College	\$2,265.00	\$2,043.00	\$0.00	\$79,485.00	\$0.00	\$83,793.00
South Chicago Learning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harry S. Truman College	\$0.00	\$0.00	\$0.00	\$4,362.00	\$0.00	\$4,362.00
Harry S. Truman Technical	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lakeview Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wilbur Wright College North	\$6,240.00	\$0.00	\$3,596.00	\$5,621.00	\$0.00	\$15,457.00
Wilbur Wright College South	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Humboldt Park Vocational	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
District Office(exclusive of OIT)	\$16,528.00	\$1,363.00	\$1,539.00	\$1,208.00	\$0.00	\$20,638.00
Office of Information Technology	\$1,847.00	\$670.00	\$777.00	\$17,607.00	\$0.00	\$20,901.00
TOTAL	\$37,065.00	\$4,634.00	\$19,580.36	\$135,831.00	\$0.00	\$198,010.36

City Colleges of Chicago
Fiscal 10 Year to Date (7/1/09 - 06/30/10)

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EQUIPMENT LOCATION	COMPUTERS	PRINTERS	SOFTWARE	RELATED EQUIPMENT	MAINTENANCE/ TRAINING	TOTAL PER LOCATION
Richard J Daley College	\$7,236 00	\$0 00	\$8,808 36	\$9,549 00	\$0 00	\$25,593 36
West Side Technical Institute	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Harold Washington College	\$0 00	\$218 00	\$712 00	\$6,579 00	\$0 00	\$7,509 00
Kennedy-King College	\$0 00	\$340 00	\$0 00	\$5,416 00	\$0 00	\$5,756 00
Dawson Technical Institute	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Malcolm X College	\$3,849 00	\$0 00	\$5,561 00	\$15,989 00	\$0 00	\$25,399 00
West Side Learning Center	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Olive-Harvey College	\$6,555 00	\$2,043 00	\$7,210 00	\$91,248 00	\$0 00	\$107,056 00
South Chicago Learning Center	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Harry S. Truman College	\$0 00	\$0 00	\$0 00	\$5,479 00	\$0 00	\$5,479 00
Harry S. Truman Technical Center	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Lakeview Learning Center	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Wilbur Wright College North Campus	\$26,280 00	\$0 00	\$3,596 00	\$8,410 00	\$0 00	\$38,286 00
Wilbur Wright College South Campus	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
Humboldt Park Vocational Educational Center	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
District Office(exclusive of OIT)	\$16,528 00	\$1,363 00	\$1,569 00	\$2,016 00	\$0 00	\$21,576 00
Office of Information Technology	\$96,255 00	\$670 00	\$777 00	\$86,170 00	\$0 00	\$183,872 00
TOTAL	\$156,703.00	\$4,634.00	\$28,333.36	\$230,856.00	\$0.00	\$420,526.36